



## 97TH GENERAL ASSEMBLY

### State of Illinois

2011 and 2012

HB3268

Introduced 2/24/2011, by Rep. John D. Cavaletto - Jason Barickman - Patricia R. Bellock - Richard Morthland

#### SYNOPSIS AS INTRODUCED:

New Act

35 ILCS 105/3-5

35 ILCS 110/3-5

35 ILCS 115/3-5

35 ILCS 120/2-5

35 ILCS 505/13

from Ch. 120, par. 429

Creates the Soldiers to Farmers Program Act. Provides that the Department of Veterans' Affairs shall implement and administer the Soldiers to Farmers Program to provide financial and instructional assistance to Illinois veterans interested in starting a career in the farming and agriculture industries. Provides that from appropriations made for the purposes of the Act, the Department shall award a \$10,000 stipend to program participants to go towards the purchase of land or farming equipment. Amends the Use Tax Act, the Service Use Tax Act, the Service Occupation Tax Act, the Retailers' Occupation Tax Act, and the Motor Fuel Tax Law by providing up to a 5-year exemption to program participants for tangible personal property used in a farming or agricultural business operated by the veteran that is not otherwise exempt and claims for undyed diesel fuel used in a farming or agricultural business operated by the veteran for which claims may not otherwise be made.

LRB097 08272 KTG 48398 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning veterans.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Soldiers to Farmers Program Act.

6 Section 3. Definition. As used in this Section, "veteran"  
7 means an Illinois resident who has served as a member of the  
8 United States Armed Forces, a member of the Illinois National  
9 Guard, or a member of the United States Reserve Forces and was  
10 discharged under honorable conditions.

11 Section 5. Soldiers to Farmers Program. The Soldiers to  
12 Farmers Program is created to provide financial and  
13 instructional assistance to veterans interested in starting a  
14 career in the farming and agriculture industries. The program  
15 shall provide instructional materials and individual advice to  
16 program participants on farming and agricultural work,  
17 business management, and the regulatory burdens associated  
18 with the farming and agriculture industries. The Department of  
19 Veterans' Affairs shall implement and administer the program.  
20 From appropriations made for the purposes of this Act, the  
21 Department shall award a \$10,000 stipend to program  
22 participants toward the purchase of land or farming equipment.

1           Section 10. Rules. The Department of Veterans' Affairs  
2 shall adopt any rules necessary to implement and operate the  
3 program established under this Act.

4           Section 15. The Use Tax Act is amended by changing Section  
5 3-5 as follows:

6           (35 ILCS 105/3-5)

7           Sec. 3-5. Exemptions. Use of the following tangible  
8 personal property is exempt from the tax imposed by this Act:

9           (1) Personal property purchased from a corporation,  
10 society, association, foundation, institution, or  
11 organization, other than a limited liability company, that is  
12 organized and operated as a not-for-profit service enterprise  
13 for the benefit of persons 65 years of age or older if the  
14 personal property was not purchased by the enterprise for the  
15 purpose of resale by the enterprise.

16           (2) Personal property purchased by a not-for-profit  
17 Illinois county fair association for use in conducting,  
18 operating, or promoting the county fair.

19           (3) Personal property purchased by a not-for-profit arts or  
20 cultural organization that establishes, by proof required by  
21 the Department by rule, that it has received an exemption under  
22 Section 501(c)(3) of the Internal Revenue Code and that is  
23 organized and operated primarily for the presentation or

1 support of arts or cultural programming, activities, or  
2 services. These organizations include, but are not limited to,  
3 music and dramatic arts organizations such as symphony  
4 orchestras and theatrical groups, arts and cultural service  
5 organizations, local arts councils, visual arts organizations,  
6 and media arts organizations. On and after the effective date  
7 of this amendatory Act of the 92nd General Assembly, however,  
8 an entity otherwise eligible for this exemption shall not make  
9 tax-free purchases unless it has an active identification  
10 number issued by the Department.

11 (4) Personal property purchased by a governmental body, by  
12 a corporation, society, association, foundation, or  
13 institution organized and operated exclusively for charitable,  
14 religious, or educational purposes, or by a not-for-profit  
15 corporation, society, association, foundation, institution, or  
16 organization that has no compensated officers or employees and  
17 that is organized and operated primarily for the recreation of  
18 persons 55 years of age or older. A limited liability company  
19 may qualify for the exemption under this paragraph only if the  
20 limited liability company is organized and operated  
21 exclusively for educational purposes. On and after July 1,  
22 1987, however, no entity otherwise eligible for this exemption  
23 shall make tax-free purchases unless it has an active exemption  
24 identification number issued by the Department.

25 (5) Until July 1, 2003, a passenger car that is a  
26 replacement vehicle to the extent that the purchase price of

1 the car is subject to the Replacement Vehicle Tax.

2 (6) Until July 1, 2003 and beginning again on September 1,  
3 2004 through August 30, 2014, graphic arts machinery and  
4 equipment, including repair and replacement parts, both new and  
5 used, and including that manufactured on special order,  
6 certified by the purchaser to be used primarily for graphic  
7 arts production, and including machinery and equipment  
8 purchased for lease. Equipment includes chemicals or chemicals  
9 acting as catalysts but only if the chemicals or chemicals  
10 acting as catalysts effect a direct and immediate change upon a  
11 graphic arts product.

12 (7) Farm chemicals.

13 (8) Legal tender, currency, medallions, or gold or silver  
14 coinage issued by the State of Illinois, the government of the  
15 United States of America, or the government of any foreign  
16 country, and bullion.

17 (9) Personal property purchased from a teacher-sponsored  
18 student organization affiliated with an elementary or  
19 secondary school located in Illinois.

20 (10) A motor vehicle of the first division, a motor vehicle  
21 of the second division that is a self-contained motor vehicle  
22 designed or permanently converted to provide living quarters  
23 for recreational, camping, or travel use, with direct walk  
24 through to the living quarters from the driver's seat, or a  
25 motor vehicle of the second division that is of the van  
26 configuration designed for the transportation of not less than

1 7 nor more than 16 passengers, as defined in Section 1-146 of  
2 the Illinois Vehicle Code, that is used for automobile renting,  
3 as defined in the Automobile Renting Occupation and Use Tax  
4 Act.

5 (11) Farm machinery and equipment, both new and used,  
6 including that manufactured on special order, certified by the  
7 purchaser to be used primarily for production agriculture or  
8 State or federal agricultural programs, including individual  
9 replacement parts for the machinery and equipment, including  
10 machinery and equipment purchased for lease, and including  
11 implements of husbandry defined in Section 1-130 of the  
12 Illinois Vehicle Code, farm machinery and agricultural  
13 chemical and fertilizer spreaders, and nurse wagons required to  
14 be registered under Section 3-809 of the Illinois Vehicle Code,  
15 but excluding other motor vehicles required to be registered  
16 under the Illinois Vehicle Code. Horticultural polyhouses or  
17 hoop houses used for propagating, growing, or overwintering  
18 plants shall be considered farm machinery and equipment under  
19 this item (11). Agricultural chemical tender tanks and dry  
20 boxes shall include units sold separately from a motor vehicle  
21 required to be licensed and units sold mounted on a motor  
22 vehicle required to be licensed if the selling price of the  
23 tender is separately stated.

24 Farm machinery and equipment shall include precision  
25 farming equipment that is installed or purchased to be  
26 installed on farm machinery and equipment including, but not

1 limited to, tractors, harvesters, sprayers, planters, seeders,  
2 or spreaders. Precision farming equipment includes, but is not  
3 limited to, soil testing sensors, computers, monitors,  
4 software, global positioning and mapping systems, and other  
5 such equipment.

6 Farm machinery and equipment also includes computers,  
7 sensors, software, and related equipment used primarily in the  
8 computer-assisted operation of production agriculture  
9 facilities, equipment, and activities such as, but not limited  
10 to, the collection, monitoring, and correlation of animal and  
11 crop data for the purpose of formulating animal diets and  
12 agricultural chemicals. This item (11) is exempt from the  
13 provisions of Section 3-90.

14 (12) Fuel and petroleum products sold to or used by an air  
15 common carrier, certified by the carrier to be used for  
16 consumption, shipment, or storage in the conduct of its  
17 business as an air common carrier, for a flight destined for or  
18 returning from a location or locations outside the United  
19 States without regard to previous or subsequent domestic  
20 stopovers.

21 (13) Proceeds of mandatory service charges separately  
22 stated on customers' bills for the purchase and consumption of  
23 food and beverages purchased at retail from a retailer, to the  
24 extent that the proceeds of the service charge are in fact  
25 turned over as tips or as a substitute for tips to the  
26 employees who participate directly in preparing, serving,

1 hosting or cleaning up the food or beverage function with  
2 respect to which the service charge is imposed.

3 (14) Until July 1, 2003, oil field exploration, drilling,  
4 and production equipment, including (i) rigs and parts of rigs,  
5 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
6 tubular goods, including casing and drill strings, (iii) pumps  
7 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
8 individual replacement part for oil field exploration,  
9 drilling, and production equipment, and (vi) machinery and  
10 equipment purchased for lease; but excluding motor vehicles  
11 required to be registered under the Illinois Vehicle Code.

12 (15) Photoprocessing machinery and equipment, including  
13 repair and replacement parts, both new and used, including that  
14 manufactured on special order, certified by the purchaser to be  
15 used primarily for photoprocessing, and including  
16 photoprocessing machinery and equipment purchased for lease.

17 (16) Until July 1, 2003, coal exploration, mining,  
18 offhighway hauling, processing, maintenance, and reclamation  
19 equipment, including replacement parts and equipment, and  
20 including equipment purchased for lease, but excluding motor  
21 vehicles required to be registered under the Illinois Vehicle  
22 Code.

23 (17) Until July 1, 2003, distillation machinery and  
24 equipment, sold as a unit or kit, assembled or installed by the  
25 retailer, certified by the user to be used only for the  
26 production of ethyl alcohol that will be used for consumption

1 as motor fuel or as a component of motor fuel for the personal  
2 use of the user, and not subject to sale or resale.

3 (18) Manufacturing and assembling machinery and equipment  
4 used primarily in the process of manufacturing or assembling  
5 tangible personal property for wholesale or retail sale or  
6 lease, whether that sale or lease is made directly by the  
7 manufacturer or by some other person, whether the materials  
8 used in the process are owned by the manufacturer or some other  
9 person, or whether that sale or lease is made apart from or as  
10 an incident to the seller's engaging in the service occupation  
11 of producing machines, tools, dies, jigs, patterns, gauges, or  
12 other similar items of no commercial value on special order for  
13 a particular purchaser.

14 (19) Personal property delivered to a purchaser or  
15 purchaser's donee inside Illinois when the purchase order for  
16 that personal property was received by a florist located  
17 outside Illinois who has a florist located inside Illinois  
18 deliver the personal property.

19 (20) Semen used for artificial insemination of livestock  
20 for direct agricultural production.

21 (21) Horses, or interests in horses, registered with and  
22 meeting the requirements of any of the Arabian Horse Club  
23 Registry of America, Appaloosa Horse Club, American Quarter  
24 Horse Association, United States Trotting Association, or  
25 Jockey Club, as appropriate, used for purposes of breeding or  
26 racing for prizes. This item (21) is exempt from the provisions

1 of Section 3-90, and the exemption provided for under this item  
2 (21) applies for all periods beginning May 30, 1995, but no  
3 claim for credit or refund is allowed on or after January 1,  
4 2008 for such taxes paid during the period beginning May 30,  
5 2000 and ending on January 1, 2008.

6 (22) Computers and communications equipment utilized for  
7 any hospital purpose and equipment used in the diagnosis,  
8 analysis, or treatment of hospital patients purchased by a  
9 lessor who leases the equipment, under a lease of one year or  
10 longer executed or in effect at the time the lessor would  
11 otherwise be subject to the tax imposed by this Act, to a  
12 hospital that has been issued an active tax exemption  
13 identification number by the Department under Section 1g of the  
14 Retailers' Occupation Tax Act. If the equipment is leased in a  
15 manner that does not qualify for this exemption or is used in  
16 any other non-exempt manner, the lessor shall be liable for the  
17 tax imposed under this Act or the Service Use Tax Act, as the  
18 case may be, based on the fair market value of the property at  
19 the time the non-qualifying use occurs. No lessor shall collect  
20 or attempt to collect an amount (however designated) that  
21 purports to reimburse that lessor for the tax imposed by this  
22 Act or the Service Use Tax Act, as the case may be, if the tax  
23 has not been paid by the lessor. If a lessor improperly  
24 collects any such amount from the lessee, the lessee shall have  
25 a legal right to claim a refund of that amount from the lessor.  
26 If, however, that amount is not refunded to the lessee for any

1 reason, the lessor is liable to pay that amount to the  
2 Department.

3 (23) Personal property purchased by a lessor who leases the  
4 property, under a lease of one year or longer executed or in  
5 effect at the time the lessor would otherwise be subject to the  
6 tax imposed by this Act, to a governmental body that has been  
7 issued an active sales tax exemption identification number by  
8 the Department under Section 1g of the Retailers' Occupation  
9 Tax Act. If the property is leased in a manner that does not  
10 qualify for this exemption or used in any other non-exempt  
11 manner, the lessor shall be liable for the tax imposed under  
12 this Act or the Service Use Tax Act, as the case may be, based  
13 on the fair market value of the property at the time the  
14 non-qualifying use occurs. No lessor shall collect or attempt  
15 to collect an amount (however designated) that purports to  
16 reimburse that lessor for the tax imposed by this Act or the  
17 Service Use Tax Act, as the case may be, if the tax has not been  
18 paid by the lessor. If a lessor improperly collects any such  
19 amount from the lessee, the lessee shall have a legal right to  
20 claim a refund of that amount from the lessor. If, however,  
21 that amount is not refunded to the lessee for any reason, the  
22 lessor is liable to pay that amount to the Department.

23 (24) Beginning with taxable years ending on or after  
24 December 31, 1995 and ending with taxable years ending on or  
25 before December 31, 2004, personal property that is donated for  
26 disaster relief to be used in a State or federally declared

1 disaster area in Illinois or bordering Illinois by a  
2 manufacturer or retailer that is registered in this State to a  
3 corporation, society, association, foundation, or institution  
4 that has been issued a sales tax exemption identification  
5 number by the Department that assists victims of the disaster  
6 who reside within the declared disaster area.

7 (25) Beginning with taxable years ending on or after  
8 December 31, 1995 and ending with taxable years ending on or  
9 before December 31, 2004, personal property that is used in the  
10 performance of infrastructure repairs in this State, including  
11 but not limited to municipal roads and streets, access roads,  
12 bridges, sidewalks, waste disposal systems, water and sewer  
13 line extensions, water distribution and purification  
14 facilities, storm water drainage and retention facilities, and  
15 sewage treatment facilities, resulting from a State or  
16 federally declared disaster in Illinois or bordering Illinois  
17 when such repairs are initiated on facilities located in the  
18 declared disaster area within 6 months after the disaster.

19 (26) Beginning July 1, 1999, game or game birds purchased  
20 at a "game breeding and hunting preserve area" or an "exotic  
21 game hunting area" as those terms are used in the Wildlife Code  
22 or at a hunting enclosure approved through rules adopted by the  
23 Department of Natural Resources. This paragraph is exempt from  
24 the provisions of Section 3-90.

25 (27) A motor vehicle, as that term is defined in Section  
26 1-146 of the Illinois Vehicle Code, that is donated to a

1 corporation, limited liability company, society, association,  
2 foundation, or institution that is determined by the Department  
3 to be organized and operated exclusively for educational  
4 purposes. For purposes of this exemption, "a corporation,  
5 limited liability company, society, association, foundation,  
6 or institution organized and operated exclusively for  
7 educational purposes" means all tax-supported public schools,  
8 private schools that offer systematic instruction in useful  
9 branches of learning by methods common to public schools and  
10 that compare favorably in their scope and intensity with the  
11 course of study presented in tax-supported schools, and  
12 vocational or technical schools or institutes organized and  
13 operated exclusively to provide a course of study of not less  
14 than 6 weeks duration and designed to prepare individuals to  
15 follow a trade or to pursue a manual, technical, mechanical,  
16 industrial, business, or commercial occupation.

17 (28) Beginning January 1, 2000, personal property,  
18 including food, purchased through fundraising events for the  
19 benefit of a public or private elementary or secondary school,  
20 a group of those schools, or one or more school districts if  
21 the events are sponsored by an entity recognized by the school  
22 district that consists primarily of volunteers and includes  
23 parents and teachers of the school children. This paragraph  
24 does not apply to fundraising events (i) for the benefit of  
25 private home instruction or (ii) for which the fundraising  
26 entity purchases the personal property sold at the events from

1 another individual or entity that sold the property for the  
2 purpose of resale by the fundraising entity and that profits  
3 from the sale to the fundraising entity. This paragraph is  
4 exempt from the provisions of Section 3-90.

5 (29) Beginning January 1, 2000 and through December 31,  
6 2001, new or used automatic vending machines that prepare and  
7 serve hot food and beverages, including coffee, soup, and other  
8 items, and replacement parts for these machines. Beginning  
9 January 1, 2002 and through June 30, 2003, machines and parts  
10 for machines used in commercial, coin-operated amusement and  
11 vending business if a use or occupation tax is paid on the  
12 gross receipts derived from the use of the commercial,  
13 coin-operated amusement and vending machines. This paragraph  
14 is exempt from the provisions of Section 3-90.

15 (30) Beginning January 1, 2001 and through June 30, 2011,  
16 food for human consumption that is to be consumed off the  
17 premises where it is sold (other than alcoholic beverages, soft  
18 drinks, and food that has been prepared for immediate  
19 consumption) and prescription and nonprescription medicines,  
20 drugs, medical appliances, and insulin, urine testing  
21 materials, syringes, and needles used by diabetics, for human  
22 use, when purchased for use by a person receiving medical  
23 assistance under Article V of the Illinois Public Aid Code who  
24 resides in a licensed long-term care facility, as defined in  
25 the Nursing Home Care Act, or in a licensed facility as defined  
26 in the MR/DD Community Care Act.

1           (31) Beginning on the effective date of this amendatory Act  
2 of the 92nd General Assembly, computers and communications  
3 equipment utilized for any hospital purpose and equipment used  
4 in the diagnosis, analysis, or treatment of hospital patients  
5 purchased by a lessor who leases the equipment, under a lease  
6 of one year or longer executed or in effect at the time the  
7 lessor would otherwise be subject to the tax imposed by this  
8 Act, to a hospital that has been issued an active tax exemption  
9 identification number by the Department under Section 1g of the  
10 Retailers' Occupation Tax Act. If the equipment is leased in a  
11 manner that does not qualify for this exemption or is used in  
12 any other nonexempt manner, the lessor shall be liable for the  
13 tax imposed under this Act or the Service Use Tax Act, as the  
14 case may be, based on the fair market value of the property at  
15 the time the nonqualifying use occurs. No lessor shall collect  
16 or attempt to collect an amount (however designated) that  
17 purports to reimburse that lessor for the tax imposed by this  
18 Act or the Service Use Tax Act, as the case may be, if the tax  
19 has not been paid by the lessor. If a lessor improperly  
20 collects any such amount from the lessee, the lessee shall have  
21 a legal right to claim a refund of that amount from the lessor.  
22 If, however, that amount is not refunded to the lessee for any  
23 reason, the lessor is liable to pay that amount to the  
24 Department. This paragraph is exempt from the provisions of  
25 Section 3-90.

26           (32) Beginning on the effective date of this amendatory Act

1 of the 92nd General Assembly, personal property purchased by a  
2 lessor who leases the property, under a lease of one year or  
3 longer executed or in effect at the time the lessor would  
4 otherwise be subject to the tax imposed by this Act, to a  
5 governmental body that has been issued an active sales tax  
6 exemption identification number by the Department under  
7 Section 1g of the Retailers' Occupation Tax Act. If the  
8 property is leased in a manner that does not qualify for this  
9 exemption or used in any other nonexempt manner, the lessor  
10 shall be liable for the tax imposed under this Act or the  
11 Service Use Tax Act, as the case may be, based on the fair  
12 market value of the property at the time the nonqualifying use  
13 occurs. No lessor shall collect or attempt to collect an amount  
14 (however designated) that purports to reimburse that lessor for  
15 the tax imposed by this Act or the Service Use Tax Act, as the  
16 case may be, if the tax has not been paid by the lessor. If a  
17 lessor improperly collects any such amount from the lessee, the  
18 lessee shall have a legal right to claim a refund of that  
19 amount from the lessor. If, however, that amount is not  
20 refunded to the lessee for any reason, the lessor is liable to  
21 pay that amount to the Department. This paragraph is exempt  
22 from the provisions of Section 3-90.

23 (33) On and after July 1, 2003 and through June 30, 2004,  
24 the use in this State of motor vehicles of the second division  
25 with a gross vehicle weight in excess of 8,000 pounds and that  
26 are subject to the commercial distribution fee imposed under

1 Section 3-815.1 of the Illinois Vehicle Code. Beginning on July  
2 1, 2004 and through June 30, 2005, the use in this State of  
3 motor vehicles of the second division: (i) with a gross vehicle  
4 weight rating in excess of 8,000 pounds; (ii) that are subject  
5 to the commercial distribution fee imposed under Section  
6 3-815.1 of the Illinois Vehicle Code; and (iii) that are  
7 primarily used for commercial purposes. Through June 30, 2005,  
8 this exemption applies to repair and replacement parts added  
9 after the initial purchase of such a motor vehicle if that  
10 motor vehicle is used in a manner that would qualify for the  
11 rolling stock exemption otherwise provided for in this Act. For  
12 purposes of this paragraph, the term "used for commercial  
13 purposes" means the transportation of persons or property in  
14 furtherance of any commercial or industrial enterprise,  
15 whether for-hire or not.

16 (34) Beginning January 1, 2008, tangible personal property  
17 used in the construction or maintenance of a community water  
18 supply, as defined under Section 3.145 of the Environmental  
19 Protection Act, that is operated by a not-for-profit  
20 corporation that holds a valid water supply permit issued under  
21 Title IV of the Environmental Protection Act. This paragraph is  
22 exempt from the provisions of Section 3-90.

23 (35) Beginning January 1, 2010, materials, parts,  
24 equipment, components, and furnishings incorporated into or  
25 upon an aircraft as part of the modification, refurbishment,  
26 completion, replacement, repair, or maintenance of the

1 aircraft. This exemption includes consumable supplies used in  
2 the modification, refurbishment, completion, replacement,  
3 repair, and maintenance of aircraft, but excludes any  
4 materials, parts, equipment, components, and consumable  
5 supplies used in the modification, replacement, repair, and  
6 maintenance of aircraft engines or power plants, whether such  
7 engines or power plants are installed or uninstalled upon any  
8 such aircraft. "Consumable supplies" include, but are not  
9 limited to, adhesive, tape, sandpaper, general purpose  
10 lubricants, cleaning solution, latex gloves, and protective  
11 films. This exemption applies only to those organizations that  
12 (i) hold an Air Agency Certificate and are empowered to operate  
13 an approved repair station by the Federal Aviation  
14 Administration, (ii) have a Class IV Rating, and (iii) conduct  
15 operations in accordance with Part 145 of the Federal Aviation  
16 Regulations. The exemption does not include aircraft operated  
17 by a commercial air carrier providing scheduled passenger air  
18 service pursuant to authority issued under Part 121 or Part 129  
19 of the Federal Aviation Regulations.

20 (36) Tangible personal property purchased by a  
21 public-facilities corporation, as described in Section  
22 11-65-10 of the Illinois Municipal Code, for purposes of  
23 constructing or furnishing a municipal convention hall, but  
24 only if the legal title to the municipal convention hall is  
25 transferred to the municipality without any further  
26 consideration by or on behalf of the municipality at the time

1 of the completion of the municipal convention hall or upon the  
2 retirement or redemption of any bonds or other debt instruments  
3 issued by the public-facilities corporation in connection with  
4 the development of the municipal convention hall. This  
5 exemption includes existing public-facilities corporations as  
6 provided in Section 11-65-25 of the Illinois Municipal Code.  
7 This paragraph is exempt from the provisions of Section 3-90.

8 (37) Tangible personal property that (i) is not otherwise  
9 exempt under this Section and (ii) is purchased by a veteran  
10 who is participating in the Soldiers to Farmers Program  
11 established under the Soldiers to Farmers Program Act for use  
12 in a farming or agricultural business operated by the veteran.  
13 The exemption under this item (37) shall extend for a period of  
14 not more than 5 years commencing on the date of enrollment of  
15 the veteran in the Program. No exemption for a veteran  
16 participating in the Program shall be claimed under this item  
17 (37) without an exemption certificate properly executed and  
18 furnished by the Department of Veterans' Affairs. This item  
19 (37) is exempt from the provisions of Section 3-90.

20 (Source: P.A. 95-88, eff. 1-1-08; 95-538, eff. 1-1-08; 95-876,  
21 eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
22 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
23 7-2-10.)

24 Section 20. The Service Use Tax Act is amended by changing  
25 Section 3-5 as follows:

1 (35 ILCS 110/3-5)

2 Sec. 3-5. Exemptions. Use of the following tangible  
3 personal property is exempt from the tax imposed by this Act:

4 (1) Personal property purchased from a corporation,  
5 society, association, foundation, institution, or  
6 organization, other than a limited liability company, that is  
7 organized and operated as a not-for-profit service enterprise  
8 for the benefit of persons 65 years of age or older if the  
9 personal property was not purchased by the enterprise for the  
10 purpose of resale by the enterprise.

11 (2) Personal property purchased by a non-profit Illinois  
12 county fair association for use in conducting, operating, or  
13 promoting the county fair.

14 (3) Personal property purchased by a not-for-profit arts or  
15 cultural organization that establishes, by proof required by  
16 the Department by rule, that it has received an exemption under  
17 Section 501(c)(3) of the Internal Revenue Code and that is  
18 organized and operated primarily for the presentation or  
19 support of arts or cultural programming, activities, or  
20 services. These organizations include, but are not limited to,  
21 music and dramatic arts organizations such as symphony  
22 orchestras and theatrical groups, arts and cultural service  
23 organizations, local arts councils, visual arts organizations,  
24 and media arts organizations. On and after the effective date  
25 of this amendatory Act of the 92nd General Assembly, however,

1 an entity otherwise eligible for this exemption shall not make  
2 tax-free purchases unless it has an active identification  
3 number issued by the Department.

4 (4) Legal tender, currency, medallions, or gold or silver  
5 coinage issued by the State of Illinois, the government of the  
6 United States of America, or the government of any foreign  
7 country, and bullion.

8 (5) Until July 1, 2003 and beginning again on September 1,  
9 2004 through August 30, 2014, graphic arts machinery and  
10 equipment, including repair and replacement parts, both new and  
11 used, and including that manufactured on special order or  
12 purchased for lease, certified by the purchaser to be used  
13 primarily for graphic arts production. Equipment includes  
14 chemicals or chemicals acting as catalysts but only if the  
15 chemicals or chemicals acting as catalysts effect a direct and  
16 immediate change upon a graphic arts product.

17 (6) Personal property purchased from a teacher-sponsored  
18 student organization affiliated with an elementary or  
19 secondary school located in Illinois.

20 (7) Farm machinery and equipment, both new and used,  
21 including that manufactured on special order, certified by the  
22 purchaser to be used primarily for production agriculture or  
23 State or federal agricultural programs, including individual  
24 replacement parts for the machinery and equipment, including  
25 machinery and equipment purchased for lease, and including  
26 implements of husbandry defined in Section 1-130 of the

1 Illinois Vehicle Code, farm machinery and agricultural  
2 chemical and fertilizer spreaders, and nurse wagons required to  
3 be registered under Section 3-809 of the Illinois Vehicle Code,  
4 but excluding other motor vehicles required to be registered  
5 under the Illinois Vehicle Code. Horticultural polyhouses or  
6 hoop houses used for propagating, growing, or overwintering  
7 plants shall be considered farm machinery and equipment under  
8 this item (7). Agricultural chemical tender tanks and dry boxes  
9 shall include units sold separately from a motor vehicle  
10 required to be licensed and units sold mounted on a motor  
11 vehicle required to be licensed if the selling price of the  
12 tender is separately stated.

13 Farm machinery and equipment shall include precision  
14 farming equipment that is installed or purchased to be  
15 installed on farm machinery and equipment including, but not  
16 limited to, tractors, harvesters, sprayers, planters, seeders,  
17 or spreaders. Precision farming equipment includes, but is not  
18 limited to, soil testing sensors, computers, monitors,  
19 software, global positioning and mapping systems, and other  
20 such equipment.

21 Farm machinery and equipment also includes computers,  
22 sensors, software, and related equipment used primarily in the  
23 computer-assisted operation of production agriculture  
24 facilities, equipment, and activities such as, but not limited  
25 to, the collection, monitoring, and correlation of animal and  
26 crop data for the purpose of formulating animal diets and

1 agricultural chemicals. This item (7) is exempt from the  
2 provisions of Section 3-75.

3 (8) Fuel and petroleum products sold to or used by an air  
4 common carrier, certified by the carrier to be used for  
5 consumption, shipment, or storage in the conduct of its  
6 business as an air common carrier, for a flight destined for or  
7 returning from a location or locations outside the United  
8 States without regard to previous or subsequent domestic  
9 stopovers.

10 (9) Proceeds of mandatory service charges separately  
11 stated on customers' bills for the purchase and consumption of  
12 food and beverages acquired as an incident to the purchase of a  
13 service from a serviceman, to the extent that the proceeds of  
14 the service charge are in fact turned over as tips or as a  
15 substitute for tips to the employees who participate directly  
16 in preparing, serving, hosting or cleaning up the food or  
17 beverage function with respect to which the service charge is  
18 imposed.

19 (10) Until July 1, 2003, oil field exploration, drilling,  
20 and production equipment, including (i) rigs and parts of rigs,  
21 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
22 tubular goods, including casing and drill strings, (iii) pumps  
23 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
24 individual replacement part for oil field exploration,  
25 drilling, and production equipment, and (vi) machinery and  
26 equipment purchased for lease; but excluding motor vehicles

1 required to be registered under the Illinois Vehicle Code.

2 (11) Proceeds from the sale of photoprocessing machinery  
3 and equipment, including repair and replacement parts, both new  
4 and used, including that manufactured on special order,  
5 certified by the purchaser to be used primarily for  
6 photoprocessing, and including photoprocessing machinery and  
7 equipment purchased for lease.

8 (12) Until July 1, 2003, coal exploration, mining,  
9 offhighway hauling, processing, maintenance, and reclamation  
10 equipment, including replacement parts and equipment, and  
11 including equipment purchased for lease, but excluding motor  
12 vehicles required to be registered under the Illinois Vehicle  
13 Code.

14 (13) Semen used for artificial insemination of livestock  
15 for direct agricultural production.

16 (14) Horses, or interests in horses, registered with and  
17 meeting the requirements of any of the Arabian Horse Club  
18 Registry of America, Appaloosa Horse Club, American Quarter  
19 Horse Association, United States Trotting Association, or  
20 Jockey Club, as appropriate, used for purposes of breeding or  
21 racing for prizes. This item (14) is exempt from the provisions  
22 of Section 3-75, and the exemption provided for under this item  
23 (14) applies for all periods beginning May 30, 1995, but no  
24 claim for credit or refund is allowed on or after the effective  
25 date of this amendatory Act of the 95th General Assembly for  
26 such taxes paid during the period beginning May 30, 2000 and

1 ending on the effective date of this amendatory Act of the 95th  
2 General Assembly.

3 (15) Computers and communications equipment utilized for  
4 any hospital purpose and equipment used in the diagnosis,  
5 analysis, or treatment of hospital patients purchased by a  
6 lessor who leases the equipment, under a lease of one year or  
7 longer executed or in effect at the time the lessor would  
8 otherwise be subject to the tax imposed by this Act, to a  
9 hospital that has been issued an active tax exemption  
10 identification number by the Department under Section 1g of the  
11 Retailers' Occupation Tax Act. If the equipment is leased in a  
12 manner that does not qualify for this exemption or is used in  
13 any other non-exempt manner, the lessor shall be liable for the  
14 tax imposed under this Act or the Use Tax Act, as the case may  
15 be, based on the fair market value of the property at the time  
16 the non-qualifying use occurs. No lessor shall collect or  
17 attempt to collect an amount (however designated) that purports  
18 to reimburse that lessor for the tax imposed by this Act or the  
19 Use Tax Act, as the case may be, if the tax has not been paid by  
20 the lessor. If a lessor improperly collects any such amount  
21 from the lessee, the lessee shall have a legal right to claim a  
22 refund of that amount from the lessor. If, however, that amount  
23 is not refunded to the lessee for any reason, the lessor is  
24 liable to pay that amount to the Department.

25 (16) Personal property purchased by a lessor who leases the  
26 property, under a lease of one year or longer executed or in

1 effect at the time the lessor would otherwise be subject to the  
2 tax imposed by this Act, to a governmental body that has been  
3 issued an active tax exemption identification number by the  
4 Department under Section 1g of the Retailers' Occupation Tax  
5 Act. If the property is leased in a manner that does not  
6 qualify for this exemption or is used in any other non-exempt  
7 manner, the lessor shall be liable for the tax imposed under  
8 this Act or the Use Tax Act, as the case may be, based on the  
9 fair market value of the property at the time the  
10 non-qualifying use occurs. No lessor shall collect or attempt  
11 to collect an amount (however designated) that purports to  
12 reimburse that lessor for the tax imposed by this Act or the  
13 Use Tax Act, as the case may be, if the tax has not been paid by  
14 the lessor. If a lessor improperly collects any such amount  
15 from the lessee, the lessee shall have a legal right to claim a  
16 refund of that amount from the lessor. If, however, that amount  
17 is not refunded to the lessee for any reason, the lessor is  
18 liable to pay that amount to the Department.

19 (17) Beginning with taxable years ending on or after  
20 December 31, 1995 and ending with taxable years ending on or  
21 before December 31, 2004, personal property that is donated for  
22 disaster relief to be used in a State or federally declared  
23 disaster area in Illinois or bordering Illinois by a  
24 manufacturer or retailer that is registered in this State to a  
25 corporation, society, association, foundation, or institution  
26 that has been issued a sales tax exemption identification

1 number by the Department that assists victims of the disaster  
2 who reside within the declared disaster area.

3 (18) Beginning with taxable years ending on or after  
4 December 31, 1995 and ending with taxable years ending on or  
5 before December 31, 2004, personal property that is used in the  
6 performance of infrastructure repairs in this State, including  
7 but not limited to municipal roads and streets, access roads,  
8 bridges, sidewalks, waste disposal systems, water and sewer  
9 line extensions, water distribution and purification  
10 facilities, storm water drainage and retention facilities, and  
11 sewage treatment facilities, resulting from a State or  
12 federally declared disaster in Illinois or bordering Illinois  
13 when such repairs are initiated on facilities located in the  
14 declared disaster area within 6 months after the disaster.

15 (19) Beginning July 1, 1999, game or game birds purchased  
16 at a "game breeding and hunting preserve area" or an "exotic  
17 game hunting area" as those terms are used in the Wildlife Code  
18 or at a hunting enclosure approved through rules adopted by the  
19 Department of Natural Resources. This paragraph is exempt from  
20 the provisions of Section 3-75.

21 (20) A motor vehicle, as that term is defined in Section  
22 1-146 of the Illinois Vehicle Code, that is donated to a  
23 corporation, limited liability company, society, association,  
24 foundation, or institution that is determined by the Department  
25 to be organized and operated exclusively for educational  
26 purposes. For purposes of this exemption, "a corporation,

1 limited liability company, society, association, foundation,  
2 or institution organized and operated exclusively for  
3 educational purposes" means all tax-supported public schools,  
4 private schools that offer systematic instruction in useful  
5 branches of learning by methods common to public schools and  
6 that compare favorably in their scope and intensity with the  
7 course of study presented in tax-supported schools, and  
8 vocational or technical schools or institutes organized and  
9 operated exclusively to provide a course of study of not less  
10 than 6 weeks duration and designed to prepare individuals to  
11 follow a trade or to pursue a manual, technical, mechanical,  
12 industrial, business, or commercial occupation.

13 (21) Beginning January 1, 2000, personal property,  
14 including food, purchased through fundraising events for the  
15 benefit of a public or private elementary or secondary school,  
16 a group of those schools, or one or more school districts if  
17 the events are sponsored by an entity recognized by the school  
18 district that consists primarily of volunteers and includes  
19 parents and teachers of the school children. This paragraph  
20 does not apply to fundraising events (i) for the benefit of  
21 private home instruction or (ii) for which the fundraising  
22 entity purchases the personal property sold at the events from  
23 another individual or entity that sold the property for the  
24 purpose of resale by the fundraising entity and that profits  
25 from the sale to the fundraising entity. This paragraph is  
26 exempt from the provisions of Section 3-75.

1           (22) Beginning January 1, 2000 and through December 31,  
2           2001, new or used automatic vending machines that prepare and  
3           serve hot food and beverages, including coffee, soup, and other  
4           items, and replacement parts for these machines. Beginning  
5           January 1, 2002 and through June 30, 2003, machines and parts  
6           for machines used in commercial, coin-operated amusement and  
7           vending business if a use or occupation tax is paid on the  
8           gross receipts derived from the use of the commercial,  
9           coin-operated amusement and vending machines. This paragraph  
10          is exempt from the provisions of Section 3-75.

11          (23) Beginning August 23, 2001 and through June 30, 2011,  
12          food for human consumption that is to be consumed off the  
13          premises where it is sold (other than alcoholic beverages, soft  
14          drinks, and food that has been prepared for immediate  
15          consumption) and prescription and nonprescription medicines,  
16          drugs, medical appliances, and insulin, urine testing  
17          materials, syringes, and needles used by diabetics, for human  
18          use, when purchased for use by a person receiving medical  
19          assistance under Article V of the Illinois Public Aid Code who  
20          resides in a licensed long-term care facility, as defined in  
21          the Nursing Home Care Act, or in a licensed facility as defined  
22          in the MR/DD Community Care Act.

23          (24) Beginning on the effective date of this amendatory Act  
24          of the 92nd General Assembly, computers and communications  
25          equipment utilized for any hospital purpose and equipment used  
26          in the diagnosis, analysis, or treatment of hospital patients

1 purchased by a lessor who leases the equipment, under a lease  
2 of one year or longer executed or in effect at the time the  
3 lessor would otherwise be subject to the tax imposed by this  
4 Act, to a hospital that has been issued an active tax exemption  
5 identification number by the Department under Section 1g of the  
6 Retailers' Occupation Tax Act. If the equipment is leased in a  
7 manner that does not qualify for this exemption or is used in  
8 any other nonexempt manner, the lessor shall be liable for the  
9 tax imposed under this Act or the Use Tax Act, as the case may  
10 be, based on the fair market value of the property at the time  
11 the nonqualifying use occurs. No lessor shall collect or  
12 attempt to collect an amount (however designated) that purports  
13 to reimburse that lessor for the tax imposed by this Act or the  
14 Use Tax Act, as the case may be, if the tax has not been paid by  
15 the lessor. If a lessor improperly collects any such amount  
16 from the lessee, the lessee shall have a legal right to claim a  
17 refund of that amount from the lessor. If, however, that amount  
18 is not refunded to the lessee for any reason, the lessor is  
19 liable to pay that amount to the Department. This paragraph is  
20 exempt from the provisions of Section 3-75.

21 (25) Beginning on the effective date of this amendatory Act  
22 of the 92nd General Assembly, personal property purchased by a  
23 lessor who leases the property, under a lease of one year or  
24 longer executed or in effect at the time the lessor would  
25 otherwise be subject to the tax imposed by this Act, to a  
26 governmental body that has been issued an active tax exemption

1 identification number by the Department under Section 1g of the  
2 Retailers' Occupation Tax Act. If the property is leased in a  
3 manner that does not qualify for this exemption or is used in  
4 any other nonexempt manner, the lessor shall be liable for the  
5 tax imposed under this Act or the Use Tax Act, as the case may  
6 be, based on the fair market value of the property at the time  
7 the nonqualifying use occurs. No lessor shall collect or  
8 attempt to collect an amount (however designated) that purports  
9 to reimburse that lessor for the tax imposed by this Act or the  
10 Use Tax Act, as the case may be, if the tax has not been paid by  
11 the lessor. If a lessor improperly collects any such amount  
12 from the lessee, the lessee shall have a legal right to claim a  
13 refund of that amount from the lessor. If, however, that amount  
14 is not refunded to the lessee for any reason, the lessor is  
15 liable to pay that amount to the Department. This paragraph is  
16 exempt from the provisions of Section 3-75.

17 (26) Beginning January 1, 2008, tangible personal property  
18 used in the construction or maintenance of a community water  
19 supply, as defined under Section 3.145 of the Environmental  
20 Protection Act, that is operated by a not-for-profit  
21 corporation that holds a valid water supply permit issued under  
22 Title IV of the Environmental Protection Act. This paragraph is  
23 exempt from the provisions of Section 3-75.

24 (27) Beginning January 1, 2010, materials, parts,  
25 equipment, components, and furnishings incorporated into or  
26 upon an aircraft as part of the modification, refurbishment,

1 completion, replacement, repair, or maintenance of the  
2 aircraft. This exemption includes consumable supplies used in  
3 the modification, refurbishment, completion, replacement,  
4 repair, and maintenance of aircraft, but excludes any  
5 materials, parts, equipment, components, and consumable  
6 supplies used in the modification, replacement, repair, and  
7 maintenance of aircraft engines or power plants, whether such  
8 engines or power plants are installed or uninstalled upon any  
9 such aircraft. "Consumable supplies" include, but are not  
10 limited to, adhesive, tape, sandpaper, general purpose  
11 lubricants, cleaning solution, latex gloves, and protective  
12 films. This exemption applies only to those organizations that  
13 (i) hold an Air Agency Certificate and are empowered to operate  
14 an approved repair station by the Federal Aviation  
15 Administration, (ii) have a Class IV Rating, and (iii) conduct  
16 operations in accordance with Part 145 of the Federal Aviation  
17 Regulations. The exemption does not include aircraft operated  
18 by a commercial air carrier providing scheduled passenger air  
19 service pursuant to authority issued under Part 121 or Part 129  
20 of the Federal Aviation Regulations.

21 (28) Tangible personal property purchased by a  
22 public-facilities corporation, as described in Section  
23 11-65-10 of the Illinois Municipal Code, for purposes of  
24 constructing or furnishing a municipal convention hall, but  
25 only if the legal title to the municipal convention hall is  
26 transferred to the municipality without any further

1 consideration by or on behalf of the municipality at the time  
2 of the completion of the municipal convention hall or upon the  
3 retirement or redemption of any bonds or other debt instruments  
4 issued by the public-facilities corporation in connection with  
5 the development of the municipal convention hall. This  
6 exemption includes existing public-facilities corporations as  
7 provided in Section 11-65-25 of the Illinois Municipal Code.  
8 This paragraph is exempt from the provisions of Section 3-75.

9 (29) Tangible personal property that (i) is not otherwise  
10 exempt under this Section and (ii) is purchased by a veteran  
11 who is participating in the Soldiers to Farmers Program  
12 established under the Soldiers to Farmers Program Act for use  
13 in a farming or agricultural business operated by the veteran.  
14 The exemption under this item (29) shall extend for a period of  
15 not more than 5 years commencing on the date of enrollment of  
16 the veteran in the Program. No exemption for a veteran  
17 participating in the Program shall be claimed under this item  
18 (29) without an exemption certificate properly executed and  
19 furnished by the Department of Veterans' Affairs. This item  
20 (29) is exempt from the provisions of Section 3-75.

21 (Source: P.A. 95-88, eff. 1-1-08; 95-538, eff. 1-1-08; 95-876,  
22 eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
23 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
24 7-2-10.)

25 Section 25. The Service Occupation Tax Act is amended by

1 changing Section 3-5 as follows:

2 (35 ILCS 115/3-5)

3 Sec. 3-5. Exemptions. The following tangible personal  
4 property is exempt from the tax imposed by this Act:

5 (1) Personal property sold by a corporation, society,  
6 association, foundation, institution, or organization, other  
7 than a limited liability company, that is organized and  
8 operated as a not-for-profit service enterprise for the benefit  
9 of persons 65 years of age or older if the personal property  
10 was not purchased by the enterprise for the purpose of resale  
11 by the enterprise.

12 (2) Personal property purchased by a not-for-profit  
13 Illinois county fair association for use in conducting,  
14 operating, or promoting the county fair.

15 (3) Personal property purchased by any not-for-profit arts  
16 or cultural organization that establishes, by proof required by  
17 the Department by rule, that it has received an exemption under  
18 Section 501(c)(3) of the Internal Revenue Code and that is  
19 organized and operated primarily for the presentation or  
20 support of arts or cultural programming, activities, or  
21 services. These organizations include, but are not limited to,  
22 music and dramatic arts organizations such as symphony  
23 orchestras and theatrical groups, arts and cultural service  
24 organizations, local arts councils, visual arts organizations,  
25 and media arts organizations. On and after the effective date

1 of this amendatory Act of the 92nd General Assembly, however,  
2 an entity otherwise eligible for this exemption shall not make  
3 tax-free purchases unless it has an active identification  
4 number issued by the Department.

5 (4) Legal tender, currency, medallions, or gold or silver  
6 coinage issued by the State of Illinois, the government of the  
7 United States of America, or the government of any foreign  
8 country, and bullion.

9 (5) Until July 1, 2003 and beginning again on September 1,  
10 2004 through August 30, 2014, graphic arts machinery and  
11 equipment, including repair and replacement parts, both new and  
12 used, and including that manufactured on special order or  
13 purchased for lease, certified by the purchaser to be used  
14 primarily for graphic arts production. Equipment includes  
15 chemicals or chemicals acting as catalysts but only if the  
16 chemicals or chemicals acting as catalysts effect a direct and  
17 immediate change upon a graphic arts product.

18 (6) Personal property sold by a teacher-sponsored student  
19 organization affiliated with an elementary or secondary school  
20 located in Illinois.

21 (7) Farm machinery and equipment, both new and used,  
22 including that manufactured on special order, certified by the  
23 purchaser to be used primarily for production agriculture or  
24 State or federal agricultural programs, including individual  
25 replacement parts for the machinery and equipment, including  
26 machinery and equipment purchased for lease, and including

1 implements of husbandry defined in Section 1-130 of the  
2 Illinois Vehicle Code, farm machinery and agricultural  
3 chemical and fertilizer spreaders, and nurse wagons required to  
4 be registered under Section 3-809 of the Illinois Vehicle Code,  
5 but excluding other motor vehicles required to be registered  
6 under the Illinois Vehicle Code. Horticultural polyhouses or  
7 hoop houses used for propagating, growing, or overwintering  
8 plants shall be considered farm machinery and equipment under  
9 this item (7). Agricultural chemical tender tanks and dry boxes  
10 shall include units sold separately from a motor vehicle  
11 required to be licensed and units sold mounted on a motor  
12 vehicle required to be licensed if the selling price of the  
13 tender is separately stated.

14 Farm machinery and equipment shall include precision  
15 farming equipment that is installed or purchased to be  
16 installed on farm machinery and equipment including, but not  
17 limited to, tractors, harvesters, sprayers, planters, seeders,  
18 or spreaders. Precision farming equipment includes, but is not  
19 limited to, soil testing sensors, computers, monitors,  
20 software, global positioning and mapping systems, and other  
21 such equipment.

22 Farm machinery and equipment also includes computers,  
23 sensors, software, and related equipment used primarily in the  
24 computer-assisted operation of production agriculture  
25 facilities, equipment, and activities such as, but not limited  
26 to, the collection, monitoring, and correlation of animal and

1 crop data for the purpose of formulating animal diets and  
2 agricultural chemicals. This item (7) is exempt from the  
3 provisions of Section 3-55.

4 (8) Fuel and petroleum products sold to or used by an air  
5 common carrier, certified by the carrier to be used for  
6 consumption, shipment, or storage in the conduct of its  
7 business as an air common carrier, for a flight destined for or  
8 returning from a location or locations outside the United  
9 States without regard to previous or subsequent domestic  
10 stopovers.

11 (9) Proceeds of mandatory service charges separately  
12 stated on customers' bills for the purchase and consumption of  
13 food and beverages, to the extent that the proceeds of the  
14 service charge are in fact turned over as tips or as a  
15 substitute for tips to the employees who participate directly  
16 in preparing, serving, hosting or cleaning up the food or  
17 beverage function with respect to which the service charge is  
18 imposed.

19 (10) Until July 1, 2003, oil field exploration, drilling,  
20 and production equipment, including (i) rigs and parts of rigs,  
21 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
22 tubular goods, including casing and drill strings, (iii) pumps  
23 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
24 individual replacement part for oil field exploration,  
25 drilling, and production equipment, and (vi) machinery and  
26 equipment purchased for lease; but excluding motor vehicles

1 required to be registered under the Illinois Vehicle Code.

2 (11) Photoprocessing machinery and equipment, including  
3 repair and replacement parts, both new and used, including that  
4 manufactured on special order, certified by the purchaser to be  
5 used primarily for photoprocessing, and including  
6 photoprocessing machinery and equipment purchased for lease.

7 (12) Until July 1, 2003, coal exploration, mining,  
8 offhighway hauling, processing, maintenance, and reclamation  
9 equipment, including replacement parts and equipment, and  
10 including equipment purchased for lease, but excluding motor  
11 vehicles required to be registered under the Illinois Vehicle  
12 Code.

13 (13) Beginning January 1, 1992 and through June 30, 2011,  
14 food for human consumption that is to be consumed off the  
15 premises where it is sold (other than alcoholic beverages, soft  
16 drinks and food that has been prepared for immediate  
17 consumption) and prescription and non-prescription medicines,  
18 drugs, medical appliances, and insulin, urine testing  
19 materials, syringes, and needles used by diabetics, for human  
20 use, when purchased for use by a person receiving medical  
21 assistance under Article V of the Illinois Public Aid Code who  
22 resides in a licensed long-term care facility, as defined in  
23 the Nursing Home Care Act, or in a licensed facility as defined  
24 in the MR/DD Community Care Act.

25 (14) Semen used for artificial insemination of livestock  
26 for direct agricultural production.

1           (15) Horses, or interests in horses, registered with and  
2 meeting the requirements of any of the Arabian Horse Club  
3 Registry of America, Appaloosa Horse Club, American Quarter  
4 Horse Association, United States Trotting Association, or  
5 Jockey Club, as appropriate, used for purposes of breeding or  
6 racing for prizes. This item (15) is exempt from the provisions  
7 of Section 3-55, and the exemption provided for under this item  
8 (15) applies for all periods beginning May 30, 1995, but no  
9 claim for credit or refund is allowed on or after January 1,  
10 2008 (the effective date of Public Act 95-88) for such taxes  
11 paid during the period beginning May 30, 2000 and ending on  
12 January 1, 2008 (the effective date of Public Act 95-88).

13           (16) Computers and communications equipment utilized for  
14 any hospital purpose and equipment used in the diagnosis,  
15 analysis, or treatment of hospital patients sold to a lessor  
16 who leases the equipment, under a lease of one year or longer  
17 executed or in effect at the time of the purchase, to a  
18 hospital that has been issued an active tax exemption  
19 identification number by the Department under Section 1g of the  
20 Retailers' Occupation Tax Act.

21           (17) Personal property sold to a lessor who leases the  
22 property, under a lease of one year or longer executed or in  
23 effect at the time of the purchase, to a governmental body that  
24 has been issued an active tax exemption identification number  
25 by the Department under Section 1g of the Retailers' Occupation  
26 Tax Act.

1           (18) Beginning with taxable years ending on or after  
2           December 31, 1995 and ending with taxable years ending on or  
3           before December 31, 2004, personal property that is donated for  
4           disaster relief to be used in a State or federally declared  
5           disaster area in Illinois or bordering Illinois by a  
6           manufacturer or retailer that is registered in this State to a  
7           corporation, society, association, foundation, or institution  
8           that has been issued a sales tax exemption identification  
9           number by the Department that assists victims of the disaster  
10          who reside within the declared disaster area.

11          (19) Beginning with taxable years ending on or after  
12          December 31, 1995 and ending with taxable years ending on or  
13          before December 31, 2004, personal property that is used in the  
14          performance of infrastructure repairs in this State, including  
15          but not limited to municipal roads and streets, access roads,  
16          bridges, sidewalks, waste disposal systems, water and sewer  
17          line extensions, water distribution and purification  
18          facilities, storm water drainage and retention facilities, and  
19          sewage treatment facilities, resulting from a State or  
20          federally declared disaster in Illinois or bordering Illinois  
21          when such repairs are initiated on facilities located in the  
22          declared disaster area within 6 months after the disaster.

23          (20) Beginning July 1, 1999, game or game birds sold at a  
24          "game breeding and hunting preserve area" or an "exotic game  
25          hunting area" as those terms are used in the Wildlife Code or  
26          at a hunting enclosure approved through rules adopted by the

1 Department of Natural Resources. This paragraph is exempt from  
2 the provisions of Section 3-55.

3 (21) A motor vehicle, as that term is defined in Section  
4 1-146 of the Illinois Vehicle Code, that is donated to a  
5 corporation, limited liability company, society, association,  
6 foundation, or institution that is determined by the Department  
7 to be organized and operated exclusively for educational  
8 purposes. For purposes of this exemption, "a corporation,  
9 limited liability company, society, association, foundation,  
10 or institution organized and operated exclusively for  
11 educational purposes" means all tax-supported public schools,  
12 private schools that offer systematic instruction in useful  
13 branches of learning by methods common to public schools and  
14 that compare favorably in their scope and intensity with the  
15 course of study presented in tax-supported schools, and  
16 vocational or technical schools or institutes organized and  
17 operated exclusively to provide a course of study of not less  
18 than 6 weeks duration and designed to prepare individuals to  
19 follow a trade or to pursue a manual, technical, mechanical,  
20 industrial, business, or commercial occupation.

21 (22) Beginning January 1, 2000, personal property,  
22 including food, purchased through fundraising events for the  
23 benefit of a public or private elementary or secondary school,  
24 a group of those schools, or one or more school districts if  
25 the events are sponsored by an entity recognized by the school  
26 district that consists primarily of volunteers and includes

1 parents and teachers of the school children. This paragraph  
2 does not apply to fundraising events (i) for the benefit of  
3 private home instruction or (ii) for which the fundraising  
4 entity purchases the personal property sold at the events from  
5 another individual or entity that sold the property for the  
6 purpose of resale by the fundraising entity and that profits  
7 from the sale to the fundraising entity. This paragraph is  
8 exempt from the provisions of Section 3-55.

9 (23) Beginning January 1, 2000 and through December 31,  
10 2001, new or used automatic vending machines that prepare and  
11 serve hot food and beverages, including coffee, soup, and other  
12 items, and replacement parts for these machines. Beginning  
13 January 1, 2002 and through June 30, 2003, machines and parts  
14 for machines used in commercial, coin-operated amusement and  
15 vending business if a use or occupation tax is paid on the  
16 gross receipts derived from the use of the commercial,  
17 coin-operated amusement and vending machines. This paragraph  
18 is exempt from the provisions of Section 3-55.

19 (24) Beginning on the effective date of this amendatory Act  
20 of the 92nd General Assembly, computers and communications  
21 equipment utilized for any hospital purpose and equipment used  
22 in the diagnosis, analysis, or treatment of hospital patients  
23 sold to a lessor who leases the equipment, under a lease of one  
24 year or longer executed or in effect at the time of the  
25 purchase, to a hospital that has been issued an active tax  
26 exemption identification number by the Department under

1 Section 1g of the Retailers' Occupation Tax Act. This paragraph  
2 is exempt from the provisions of Section 3-55.

3 (25) Beginning on the effective date of this amendatory Act  
4 of the 92nd General Assembly, personal property sold to a  
5 lessor who leases the property, under a lease of one year or  
6 longer executed or in effect at the time of the purchase, to a  
7 governmental body that has been issued an active tax exemption  
8 identification number by the Department under Section 1g of the  
9 Retailers' Occupation Tax Act. This paragraph is exempt from  
10 the provisions of Section 3-55.

11 (26) Beginning on January 1, 2002 and through June 30,  
12 2011, tangible personal property purchased from an Illinois  
13 retailer by a taxpayer engaged in centralized purchasing  
14 activities in Illinois who will, upon receipt of the property  
15 in Illinois, temporarily store the property in Illinois (i) for  
16 the purpose of subsequently transporting it outside this State  
17 for use or consumption thereafter solely outside this State or  
18 (ii) for the purpose of being processed, fabricated, or  
19 manufactured into, attached to, or incorporated into other  
20 tangible personal property to be transported outside this State  
21 and thereafter used or consumed solely outside this State. The  
22 Director of Revenue shall, pursuant to rules adopted in  
23 accordance with the Illinois Administrative Procedure Act,  
24 issue a permit to any taxpayer in good standing with the  
25 Department who is eligible for the exemption under this  
26 paragraph (26). The permit issued under this paragraph (26)

1 shall authorize the holder, to the extent and in the manner  
2 specified in the rules adopted under this Act, to purchase  
3 tangible personal property from a retailer exempt from the  
4 taxes imposed by this Act. Taxpayers shall maintain all  
5 necessary books and records to substantiate the use and  
6 consumption of all such tangible personal property outside of  
7 the State of Illinois.

8 (27) Beginning January 1, 2008, tangible personal property  
9 used in the construction or maintenance of a community water  
10 supply, as defined under Section 3.145 of the Environmental  
11 Protection Act, that is operated by a not-for-profit  
12 corporation that holds a valid water supply permit issued under  
13 Title IV of the Environmental Protection Act. This paragraph is  
14 exempt from the provisions of Section 3-55.

15 (28) Tangible personal property sold to a  
16 public-facilities corporation, as described in Section  
17 11-65-10 of the Illinois Municipal Code, for purposes of  
18 constructing or furnishing a municipal convention hall, but  
19 only if the legal title to the municipal convention hall is  
20 transferred to the municipality without any further  
21 consideration by or on behalf of the municipality at the time  
22 of the completion of the municipal convention hall or upon the  
23 retirement or redemption of any bonds or other debt instruments  
24 issued by the public-facilities corporation in connection with  
25 the development of the municipal convention hall. This  
26 exemption includes existing public-facilities corporations as

1 provided in Section 11-65-25 of the Illinois Municipal Code.

2 This paragraph is exempt from the provisions of Section 3-55.

3 (29) Beginning January 1, 2010, materials, parts,  
4 equipment, components, and furnishings incorporated into or  
5 upon an aircraft as part of the modification, refurbishment,  
6 completion, replacement, repair, or maintenance of the  
7 aircraft. This exemption includes consumable supplies used in  
8 the modification, refurbishment, completion, replacement,  
9 repair, and maintenance of aircraft, but excludes any  
10 materials, parts, equipment, components, and consumable  
11 supplies used in the modification, replacement, repair, and  
12 maintenance of aircraft engines or power plants, whether such  
13 engines or power plants are installed or uninstalled upon any  
14 such aircraft. "Consumable supplies" include, but are not  
15 limited to, adhesive, tape, sandpaper, general purpose  
16 lubricants, cleaning solution, latex gloves, and protective  
17 films. This exemption applies only to those organizations that  
18 (i) hold an Air Agency Certificate and are empowered to operate  
19 an approved repair station by the Federal Aviation  
20 Administration, (ii) have a Class IV Rating, and (iii) conduct  
21 operations in accordance with Part 145 of the Federal Aviation  
22 Regulations. The exemption does not include aircraft operated  
23 by a commercial air carrier providing scheduled passenger air  
24 service pursuant to authority issued under Part 121 or Part 129  
25 of the Federal Aviation Regulations.

26 (30) Tangible personal property that (i) is not otherwise

1 exempt under this Section and (ii) is purchased by a veteran  
2 who is participating in the Soldiers to Farmers Program  
3 established under the Soldiers to Farmers Program Act for use  
4 in a farming or agricultural business operated by the veteran.  
5 The exemption under this item (30) shall extend for a period of  
6 not more than 5 years commencing on the date of enrollment of  
7 the veteran in the Program. No exemption for a veteran  
8 participating in the Program shall be claimed under this item  
9 (30) without an exemption certificate properly executed and  
10 furnished by the Department of Veterans' Affairs. This item  
11 (30) is exempt from the provisions of Section 3-55.

12 (Source: P.A. 95-88, eff. 1-1-08; 95-538, eff. 1-1-08; 95-876,  
13 eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff. 7-1-10;  
14 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000, eff.  
15 7-2-10.)

16 Section 30. The Retailers' Occupation Tax Act is amended by  
17 changing Section 2-5 as follows:

18 (35 ILCS 120/2-5)

19 Sec. 2-5. Exemptions. Gross receipts from proceeds from the  
20 sale of the following tangible personal property are exempt  
21 from the tax imposed by this Act:

22 (1) Farm chemicals.

23 (2) Farm machinery and equipment, both new and used,  
24 including that manufactured on special order, certified by the

1 purchaser to be used primarily for production agriculture or  
2 State or federal agricultural programs, including individual  
3 replacement parts for the machinery and equipment, including  
4 machinery and equipment purchased for lease, and including  
5 implements of husbandry defined in Section 1-130 of the  
6 Illinois Vehicle Code, farm machinery and agricultural  
7 chemical and fertilizer spreaders, and nurse wagons required to  
8 be registered under Section 3-809 of the Illinois Vehicle Code,  
9 but excluding other motor vehicles required to be registered  
10 under the Illinois Vehicle Code. Horticultural polyhouses or  
11 hoop houses used for propagating, growing, or overwintering  
12 plants shall be considered farm machinery and equipment under  
13 this item (2). Agricultural chemical tender tanks and dry boxes  
14 shall include units sold separately from a motor vehicle  
15 required to be licensed and units sold mounted on a motor  
16 vehicle required to be licensed, if the selling price of the  
17 tender is separately stated.

18 Farm machinery and equipment shall include precision  
19 farming equipment that is installed or purchased to be  
20 installed on farm machinery and equipment including, but not  
21 limited to, tractors, harvesters, sprayers, planters, seeders,  
22 or spreaders. Precision farming equipment includes, but is not  
23 limited to, soil testing sensors, computers, monitors,  
24 software, global positioning and mapping systems, and other  
25 such equipment.

26 Farm machinery and equipment also includes computers,

1 sensors, software, and related equipment used primarily in the  
2 computer-assisted operation of production agriculture  
3 facilities, equipment, and activities such as, but not limited  
4 to, the collection, monitoring, and correlation of animal and  
5 crop data for the purpose of formulating animal diets and  
6 agricultural chemicals. This item (7) is exempt from the  
7 provisions of Section 2-70.

8 (3) Until July 1, 2003, distillation machinery and  
9 equipment, sold as a unit or kit, assembled or installed by the  
10 retailer, certified by the user to be used only for the  
11 production of ethyl alcohol that will be used for consumption  
12 as motor fuel or as a component of motor fuel for the personal  
13 use of the user, and not subject to sale or resale.

14 (4) Until July 1, 2003 and beginning again September 1,  
15 2004 through August 30, 2014, graphic arts machinery and  
16 equipment, including repair and replacement parts, both new and  
17 used, and including that manufactured on special order or  
18 purchased for lease, certified by the purchaser to be used  
19 primarily for graphic arts production. Equipment includes  
20 chemicals or chemicals acting as catalysts but only if the  
21 chemicals or chemicals acting as catalysts effect a direct and  
22 immediate change upon a graphic arts product.

23 (5) A motor vehicle of the first division, a motor vehicle  
24 of the second division that is a self contained motor vehicle  
25 designed or permanently converted to provide living quarters  
26 for recreational, camping, or travel use, with direct walk

1 through access to the living quarters from the driver's seat,  
2 or a motor vehicle of the second division that is of the van  
3 configuration designed for the transportation of not less than  
4 7 nor more than 16 passengers, as defined in Section 1-146 of  
5 the Illinois Vehicle Code, that is used for automobile renting,  
6 as defined in the Automobile Renting Occupation and Use Tax  
7 Act. This paragraph is exempt from the provisions of Section  
8 2-70.

9 (6) Personal property sold by a teacher-sponsored student  
10 organization affiliated with an elementary or secondary school  
11 located in Illinois.

12 (7) Until July 1, 2003, proceeds of that portion of the  
13 selling price of a passenger car the sale of which is subject  
14 to the Replacement Vehicle Tax.

15 (8) Personal property sold to an Illinois county fair  
16 association for use in conducting, operating, or promoting the  
17 county fair.

18 (9) Personal property sold to a not-for-profit arts or  
19 cultural organization that establishes, by proof required by  
20 the Department by rule, that it has received an exemption under  
21 Section 501(c)(3) of the Internal Revenue Code and that is  
22 organized and operated primarily for the presentation or  
23 support of arts or cultural programming, activities, or  
24 services. These organizations include, but are not limited to,  
25 music and dramatic arts organizations such as symphony  
26 orchestras and theatrical groups, arts and cultural service

1 organizations, local arts councils, visual arts organizations,  
2 and media arts organizations. On and after the effective date  
3 of this amendatory Act of the 92nd General Assembly, however,  
4 an entity otherwise eligible for this exemption shall not make  
5 tax-free purchases unless it has an active identification  
6 number issued by the Department.

7 (10) Personal property sold by a corporation, society,  
8 association, foundation, institution, or organization, other  
9 than a limited liability company, that is organized and  
10 operated as a not-for-profit service enterprise for the benefit  
11 of persons 65 years of age or older if the personal property  
12 was not purchased by the enterprise for the purpose of resale  
13 by the enterprise.

14 (11) Personal property sold to a governmental body, to a  
15 corporation, society, association, foundation, or institution  
16 organized and operated exclusively for charitable, religious,  
17 or educational purposes, or to a not-for-profit corporation,  
18 society, association, foundation, institution, or organization  
19 that has no compensated officers or employees and that is  
20 organized and operated primarily for the recreation of persons  
21 55 years of age or older. A limited liability company may  
22 qualify for the exemption under this paragraph only if the  
23 limited liability company is organized and operated  
24 exclusively for educational purposes. On and after July 1,  
25 1987, however, no entity otherwise eligible for this exemption  
26 shall make tax-free purchases unless it has an active

1 identification number issued by the Department.

2 (12) Tangible personal property sold to interstate  
3 carriers for hire for use as rolling stock moving in interstate  
4 commerce or to lessors under leases of one year or longer  
5 executed or in effect at the time of purchase by interstate  
6 carriers for hire for use as rolling stock moving in interstate  
7 commerce and equipment operated by a telecommunications  
8 provider, licensed as a common carrier by the Federal  
9 Communications Commission, which is permanently installed in  
10 or affixed to aircraft moving in interstate commerce.

11 (12-5) On and after July 1, 2003 and through June 30, 2004,  
12 motor vehicles of the second division with a gross vehicle  
13 weight in excess of 8,000 pounds that are subject to the  
14 commercial distribution fee imposed under Section 3-815.1 of  
15 the Illinois Vehicle Code. Beginning on July 1, 2004 and  
16 through June 30, 2005, the use in this State of motor vehicles  
17 of the second division: (i) with a gross vehicle weight rating  
18 in excess of 8,000 pounds; (ii) that are subject to the  
19 commercial distribution fee imposed under Section 3-815.1 of  
20 the Illinois Vehicle Code; and (iii) that are primarily used  
21 for commercial purposes. Through June 30, 2005, this exemption  
22 applies to repair and replacement parts added after the initial  
23 purchase of such a motor vehicle if that motor vehicle is used  
24 in a manner that would qualify for the rolling stock exemption  
25 otherwise provided for in this Act. For purposes of this  
26 paragraph, "used for commercial purposes" means the

1 transportation of persons or property in furtherance of any  
2 commercial or industrial enterprise whether for-hire or not.

3 (13) Proceeds from sales to owners, lessors, or shippers of  
4 tangible personal property that is utilized by interstate  
5 carriers for hire for use as rolling stock moving in interstate  
6 commerce and equipment operated by a telecommunications  
7 provider, licensed as a common carrier by the Federal  
8 Communications Commission, which is permanently installed in  
9 or affixed to aircraft moving in interstate commerce.

10 (14) Machinery and equipment that will be used by the  
11 purchaser, or a lessee of the purchaser, primarily in the  
12 process of manufacturing or assembling tangible personal  
13 property for wholesale or retail sale or lease, whether the  
14 sale or lease is made directly by the manufacturer or by some  
15 other person, whether the materials used in the process are  
16 owned by the manufacturer or some other person, or whether the  
17 sale or lease is made apart from or as an incident to the  
18 seller's engaging in the service occupation of producing  
19 machines, tools, dies, jigs, patterns, gauges, or other similar  
20 items of no commercial value on special order for a particular  
21 purchaser.

22 (15) Proceeds of mandatory service charges separately  
23 stated on customers' bills for purchase and consumption of food  
24 and beverages, to the extent that the proceeds of the service  
25 charge are in fact turned over as tips or as a substitute for  
26 tips to the employees who participate directly in preparing,

1 serving, hosting or cleaning up the food or beverage function  
2 with respect to which the service charge is imposed.

3 (16) Petroleum products sold to a purchaser if the seller  
4 is prohibited by federal law from charging tax to the  
5 purchaser.

6 (17) Tangible personal property sold to a common carrier by  
7 rail or motor that receives the physical possession of the  
8 property in Illinois and that transports the property, or  
9 shares with another common carrier in the transportation of the  
10 property, out of Illinois on a standard uniform bill of lading  
11 showing the seller of the property as the shipper or consignor  
12 of the property to a destination outside Illinois, for use  
13 outside Illinois.

14 (18) Legal tender, currency, medallions, or gold or silver  
15 coinage issued by the State of Illinois, the government of the  
16 United States of America, or the government of any foreign  
17 country, and bullion.

18 (19) Until July 1 2003, oil field exploration, drilling,  
19 and production equipment, including (i) rigs and parts of rigs,  
20 rotary rigs, cable tool rigs, and workover rigs, (ii) pipe and  
21 tubular goods, including casing and drill strings, (iii) pumps  
22 and pump-jack units, (iv) storage tanks and flow lines, (v) any  
23 individual replacement part for oil field exploration,  
24 drilling, and production equipment, and (vi) machinery and  
25 equipment purchased for lease; but excluding motor vehicles  
26 required to be registered under the Illinois Vehicle Code.

1           (20) Photoprocessing machinery and equipment, including  
2 repair and replacement parts, both new and used, including that  
3 manufactured on special order, certified by the purchaser to be  
4 used primarily for photoprocessing, and including  
5 photoprocessing machinery and equipment purchased for lease.

6           (21) Until July 1, 2003, coal exploration, mining,  
7 offhighway hauling, processing, maintenance, and reclamation  
8 equipment, including replacement parts and equipment, and  
9 including equipment purchased for lease, but excluding motor  
10 vehicles required to be registered under the Illinois Vehicle  
11 Code.

12           (22) Fuel and petroleum products sold to or used by an air  
13 carrier, certified by the carrier to be used for consumption,  
14 shipment, or storage in the conduct of its business as an air  
15 common carrier, for a flight destined for or returning from a  
16 location or locations outside the United States without regard  
17 to previous or subsequent domestic stopovers.

18           (23) A transaction in which the purchase order is received  
19 by a florist who is located outside Illinois, but who has a  
20 florist located in Illinois deliver the property to the  
21 purchaser or the purchaser's donee in Illinois.

22           (24) Fuel consumed or used in the operation of ships,  
23 barges, or vessels that are used primarily in or for the  
24 transportation of property or the conveyance of persons for  
25 hire on rivers bordering on this State if the fuel is delivered  
26 by the seller to the purchaser's barge, ship, or vessel while

1 it is afloat upon that bordering river.

2 (25) Except as provided in item (25-5) of this Section, a  
3 motor vehicle sold in this State to a nonresident even though  
4 the motor vehicle is delivered to the nonresident in this  
5 State, if the motor vehicle is not to be titled in this State,  
6 and if a drive-away permit is issued to the motor vehicle as  
7 provided in Section 3-603 of the Illinois Vehicle Code or if  
8 the nonresident purchaser has vehicle registration plates to  
9 transfer to the motor vehicle upon returning to his or her home  
10 state. The issuance of the drive-away permit or having the  
11 out-of-state registration plates to be transferred is prima  
12 facie evidence that the motor vehicle will not be titled in  
13 this State.

14 (25-5) The exemption under item (25) does not apply if the  
15 state in which the motor vehicle will be titled does not allow  
16 a reciprocal exemption for a motor vehicle sold and delivered  
17 in that state to an Illinois resident but titled in Illinois.  
18 The tax collected under this Act on the sale of a motor vehicle  
19 in this State to a resident of another state that does not  
20 allow a reciprocal exemption shall be imposed at a rate equal  
21 to the state's rate of tax on taxable property in the state in  
22 which the purchaser is a resident, except that the tax shall  
23 not exceed the tax that would otherwise be imposed under this  
24 Act. At the time of the sale, the purchaser shall execute a  
25 statement, signed under penalty of perjury, of his or her  
26 intent to title the vehicle in the state in which the purchaser

1 is a resident within 30 days after the sale and of the fact of  
2 the payment to the State of Illinois of tax in an amount  
3 equivalent to the state's rate of tax on taxable property in  
4 his or her state of residence and shall submit the statement to  
5 the appropriate tax collection agency in his or her state of  
6 residence. In addition, the retailer must retain a signed copy  
7 of the statement in his or her records. Nothing in this item  
8 shall be construed to require the removal of the vehicle from  
9 this state following the filing of an intent to title the  
10 vehicle in the purchaser's state of residence if the purchaser  
11 titles the vehicle in his or her state of residence within 30  
12 days after the date of sale. The tax collected under this Act  
13 in accordance with this item (25-5) shall be proportionately  
14 distributed as if the tax were collected at the 6.25% general  
15 rate imposed under this Act.

16 (25-7) Beginning on July 1, 2007, no tax is imposed under  
17 this Act on the sale of an aircraft, as defined in Section 3 of  
18 the Illinois Aeronautics Act, if all of the following  
19 conditions are met:

20 (1) the aircraft leaves this State within 15 days after  
21 the later of either the issuance of the final billing for  
22 the sale of the aircraft, or the authorized approval for  
23 return to service, completion of the maintenance record  
24 entry, and completion of the test flight and ground test  
25 for inspection, as required by 14 C.F.R. 91.407;

26 (2) the aircraft is not based or registered in this

1 State after the sale of the aircraft; and

2 (3) the seller retains in his or her books and records  
3 and provides to the Department a signed and dated  
4 certification from the purchaser, on a form prescribed by  
5 the Department, certifying that the requirements of this  
6 item (25-7) are met. The certificate must also include the  
7 name and address of the purchaser, the address of the  
8 location where the aircraft is to be titled or registered,  
9 the address of the primary physical location of the  
10 aircraft, and other information that the Department may  
11 reasonably require.

12 For purposes of this item (25-7):

13 "Based in this State" means hangared, stored, or otherwise  
14 used, excluding post-sale customizations as defined in this  
15 Section, for 10 or more days in each 12-month period  
16 immediately following the date of the sale of the aircraft.

17 "Registered in this State" means an aircraft registered  
18 with the Department of Transportation, Aeronautics Division,  
19 or titled or registered with the Federal Aviation  
20 Administration to an address located in this State.

21 This paragraph (25-7) is exempt from the provisions of  
22 Section 2-70.

23 (26) Semen used for artificial insemination of livestock  
24 for direct agricultural production.

25 (27) Horses, or interests in horses, registered with and  
26 meeting the requirements of any of the Arabian Horse Club

1 Registry of America, Appaloosa Horse Club, American Quarter  
2 Horse Association, United States Trotting Association, or  
3 Jockey Club, as appropriate, used for purposes of breeding or  
4 racing for prizes. This item (27) is exempt from the provisions  
5 of Section 2-70, and the exemption provided for under this item  
6 (27) applies for all periods beginning May 30, 1995, but no  
7 claim for credit or refund is allowed on or after January 1,  
8 2008 (the effective date of Public Act 95-88) for such taxes  
9 paid during the period beginning May 30, 2000 and ending on  
10 January 1, 2008 (the effective date of Public Act 95-88).

11 (28) Computers and communications equipment utilized for  
12 any hospital purpose and equipment used in the diagnosis,  
13 analysis, or treatment of hospital patients sold to a lessor  
14 who leases the equipment, under a lease of one year or longer  
15 executed or in effect at the time of the purchase, to a  
16 hospital that has been issued an active tax exemption  
17 identification number by the Department under Section 1g of  
18 this Act.

19 (29) Personal property sold to a lessor who leases the  
20 property, under a lease of one year or longer executed or in  
21 effect at the time of the purchase, to a governmental body that  
22 has been issued an active tax exemption identification number  
23 by the Department under Section 1g of this Act.

24 (30) Beginning with taxable years ending on or after  
25 December 31, 1995 and ending with taxable years ending on or  
26 before December 31, 2004, personal property that is donated for

1 disaster relief to be used in a State or federally declared  
2 disaster area in Illinois or bordering Illinois by a  
3 manufacturer or retailer that is registered in this State to a  
4 corporation, society, association, foundation, or institution  
5 that has been issued a sales tax exemption identification  
6 number by the Department that assists victims of the disaster  
7 who reside within the declared disaster area.

8 (31) Beginning with taxable years ending on or after  
9 December 31, 1995 and ending with taxable years ending on or  
10 before December 31, 2004, personal property that is used in the  
11 performance of infrastructure repairs in this State, including  
12 but not limited to municipal roads and streets, access roads,  
13 bridges, sidewalks, waste disposal systems, water and sewer  
14 line extensions, water distribution and purification  
15 facilities, storm water drainage and retention facilities, and  
16 sewage treatment facilities, resulting from a State or  
17 federally declared disaster in Illinois or bordering Illinois  
18 when such repairs are initiated on facilities located in the  
19 declared disaster area within 6 months after the disaster.

20 (32) Beginning July 1, 1999, game or game birds sold at a  
21 "game breeding and hunting preserve area" or an "exotic game  
22 hunting area" as those terms are used in the Wildlife Code or  
23 at a hunting enclosure approved through rules adopted by the  
24 Department of Natural Resources. This paragraph is exempt from  
25 the provisions of Section 2-70.

26 (33) A motor vehicle, as that term is defined in Section

1 1-146 of the Illinois Vehicle Code, that is donated to a  
2 corporation, limited liability company, society, association,  
3 foundation, or institution that is determined by the Department  
4 to be organized and operated exclusively for educational  
5 purposes. For purposes of this exemption, "a corporation,  
6 limited liability company, society, association, foundation,  
7 or institution organized and operated exclusively for  
8 educational purposes" means all tax-supported public schools,  
9 private schools that offer systematic instruction in useful  
10 branches of learning by methods common to public schools and  
11 that compare favorably in their scope and intensity with the  
12 course of study presented in tax-supported schools, and  
13 vocational or technical schools or institutes organized and  
14 operated exclusively to provide a course of study of not less  
15 than 6 weeks duration and designed to prepare individuals to  
16 follow a trade or to pursue a manual, technical, mechanical,  
17 industrial, business, or commercial occupation.

18 (34) Beginning January 1, 2000, personal property,  
19 including food, purchased through fundraising events for the  
20 benefit of a public or private elementary or secondary school,  
21 a group of those schools, or one or more school districts if  
22 the events are sponsored by an entity recognized by the school  
23 district that consists primarily of volunteers and includes  
24 parents and teachers of the school children. This paragraph  
25 does not apply to fundraising events (i) for the benefit of  
26 private home instruction or (ii) for which the fundraising

1 entity purchases the personal property sold at the events from  
2 another individual or entity that sold the property for the  
3 purpose of resale by the fundraising entity and that profits  
4 from the sale to the fundraising entity. This paragraph is  
5 exempt from the provisions of Section 2-70.

6 (35) Beginning January 1, 2000 and through December 31,  
7 2001, new or used automatic vending machines that prepare and  
8 serve hot food and beverages, including coffee, soup, and other  
9 items, and replacement parts for these machines. Beginning  
10 January 1, 2002 and through June 30, 2003, machines and parts  
11 for machines used in commercial, coin-operated amusement and  
12 vending business if a use or occupation tax is paid on the  
13 gross receipts derived from the use of the commercial,  
14 coin-operated amusement and vending machines. This paragraph  
15 is exempt from the provisions of Section 2-70.

16 (35-5) Beginning August 23, 2001 and through June 30, 2011,  
17 food for human consumption that is to be consumed off the  
18 premises where it is sold (other than alcoholic beverages, soft  
19 drinks, and food that has been prepared for immediate  
20 consumption) and prescription and nonprescription medicines,  
21 drugs, medical appliances, and insulin, urine testing  
22 materials, syringes, and needles used by diabetics, for human  
23 use, when purchased for use by a person receiving medical  
24 assistance under Article V of the Illinois Public Aid Code who  
25 resides in a licensed long-term care facility, as defined in  
26 the Nursing Home Care Act, or a licensed facility as defined in

1 the MR/DD Community Care Act.

2 (36) Beginning August 2, 2001, computers and  
3 communications equipment utilized for any hospital purpose and  
4 equipment used in the diagnosis, analysis, or treatment of  
5 hospital patients sold to a lessor who leases the equipment,  
6 under a lease of one year or longer executed or in effect at  
7 the time of the purchase, to a hospital that has been issued an  
8 active tax exemption identification number by the Department  
9 under Section 1g of this Act. This paragraph is exempt from the  
10 provisions of Section 2-70.

11 (37) Beginning August 2, 2001, personal property sold to a  
12 lessor who leases the property, under a lease of one year or  
13 longer executed or in effect at the time of the purchase, to a  
14 governmental body that has been issued an active tax exemption  
15 identification number by the Department under Section 1g of  
16 this Act. This paragraph is exempt from the provisions of  
17 Section 2-70.

18 (38) Beginning on January 1, 2002 and through June 30,  
19 2011, tangible personal property purchased from an Illinois  
20 retailer by a taxpayer engaged in centralized purchasing  
21 activities in Illinois who will, upon receipt of the property  
22 in Illinois, temporarily store the property in Illinois (i) for  
23 the purpose of subsequently transporting it outside this State  
24 for use or consumption thereafter solely outside this State or  
25 (ii) for the purpose of being processed, fabricated, or  
26 manufactured into, attached to, or incorporated into other

1 tangible personal property to be transported outside this State  
2 and thereafter used or consumed solely outside this State. The  
3 Director of Revenue shall, pursuant to rules adopted in  
4 accordance with the Illinois Administrative Procedure Act,  
5 issue a permit to any taxpayer in good standing with the  
6 Department who is eligible for the exemption under this  
7 paragraph (38). The permit issued under this paragraph (38)  
8 shall authorize the holder, to the extent and in the manner  
9 specified in the rules adopted under this Act, to purchase  
10 tangible personal property from a retailer exempt from the  
11 taxes imposed by this Act. Taxpayers shall maintain all  
12 necessary books and records to substantiate the use and  
13 consumption of all such tangible personal property outside of  
14 the State of Illinois.

15 (39) Beginning January 1, 2008, tangible personal property  
16 used in the construction or maintenance of a community water  
17 supply, as defined under Section 3.145 of the Environmental  
18 Protection Act, that is operated by a not-for-profit  
19 corporation that holds a valid water supply permit issued under  
20 Title IV of the Environmental Protection Act. This paragraph is  
21 exempt from the provisions of Section 2-70.

22 (40) Beginning January 1, 2010, materials, parts,  
23 equipment, components, and furnishings incorporated into or  
24 upon an aircraft as part of the modification, refurbishment,  
25 completion, replacement, repair, or maintenance of the  
26 aircraft. This exemption includes consumable supplies used in

1 the modification, refurbishment, completion, replacement,  
2 repair, and maintenance of aircraft, but excludes any  
3 materials, parts, equipment, components, and consumable  
4 supplies used in the modification, replacement, repair, and  
5 maintenance of aircraft engines or power plants, whether such  
6 engines or power plants are installed or uninstalled upon any  
7 such aircraft. "Consumable supplies" include, but are not  
8 limited to, adhesive, tape, sandpaper, general purpose  
9 lubricants, cleaning solution, latex gloves, and protective  
10 films. This exemption applies only to those organizations that  
11 (i) hold an Air Agency Certificate and are empowered to operate  
12 an approved repair station by the Federal Aviation  
13 Administration, (ii) have a Class IV Rating, and (iii) conduct  
14 operations in accordance with Part 145 of the Federal Aviation  
15 Regulations. The exemption does not include aircraft operated  
16 by a commercial air carrier providing scheduled passenger air  
17 service pursuant to authority issued under Part 121 or Part 129  
18 of the Federal Aviation Regulations.

19 (41) Tangible personal property sold to a  
20 public-facilities corporation, as described in Section  
21 11-65-10 of the Illinois Municipal Code, for purposes of  
22 constructing or furnishing a municipal convention hall, but  
23 only if the legal title to the municipal convention hall is  
24 transferred to the municipality without any further  
25 consideration by or on behalf of the municipality at the time  
26 of the completion of the municipal convention hall or upon the

1 retirement or redemption of any bonds or other debt instruments  
2 issued by the public-facilities corporation in connection with  
3 the development of the municipal convention hall. This  
4 exemption includes existing public-facilities corporations as  
5 provided in Section 11-65-25 of the Illinois Municipal Code.  
6 This paragraph is exempt from the provisions of Section 2-70.

7 (42) Tangible personal property that (i) is not otherwise  
8 exempt under this Section and (ii) is purchased by a veteran  
9 who is participating in the Soldiers to Farmers Program  
10 established under the Soldiers to Farmers Program Act for use  
11 in a farming or agricultural business operated by the veteran.  
12 The exemption under this item (42) shall extend for a period of  
13 not more than 5 years commencing on the date of enrollment of  
14 the veteran in the Program. No exemption for a veteran  
15 participating in the Program shall be claimed under this item  
16 (42) without an exemption certificate properly executed and  
17 furnished by the Department of Veterans' Affairs. This item  
18 (42) is exempt from the provisions of Section 2-70.

19 (Source: P.A. 95-88, eff. 1-1-08; 95-233, eff. 8-16-07; 95-304,  
20 eff. 8-20-07; 95-538, eff. 1-1-08; 95-707, eff. 1-11-08;  
21 95-876, eff. 8-21-08; 96-116, eff. 7-31-09; 96-339, eff.  
22 7-1-10; 96-532, eff. 8-14-09; 96-759, eff. 1-1-10; 96-1000,  
23 eff. 7-2-10.)

24 Section 35. The Motor Fuel Tax Law is amended by changing  
25 Section 13 as follows:

1 (35 ILCS 505/13) (from Ch. 120, par. 429)

2 Sec. 13. Refund of tax paid. Any person other than a  
3 distributor or supplier, who loses motor fuel through any cause  
4 or uses motor fuel (upon which he has paid the amount required  
5 to be collected under Section 2 of this Act) for any purpose  
6 other than operating a motor vehicle upon the public highways  
7 or waters, shall be reimbursed and repaid the amount so paid.

8 Any person who purchases motor fuel in Illinois and uses  
9 that motor fuel in another state and that other state imposes a  
10 tax on the use of such motor fuel shall be reimbursed and  
11 repaid the amount of Illinois tax paid under Section 2 of this  
12 Act on the motor fuel used in such other state. Reimbursement  
13 and repayment shall be made by the Department upon receipt of  
14 adequate proof of taxes directly paid to another state and the  
15 amount of motor fuel used in that state.

16 Claims based in whole or in part on taxes paid to another  
17 state shall include (i) a certified copy of the tax return  
18 filed with such other state by the claimant; (ii) a copy of  
19 either the cancelled check paying the tax due on such return,  
20 or a receipt acknowledging payment of the tax due on such tax  
21 return; and (iii) such other information as the Department may  
22 reasonably require. This paragraph shall not apply to taxes  
23 paid on returns filed under Section 13a.3 of this Act.

24 Any person who purchases motor fuel use tax decals as  
25 required by Section 13a.4 and pays an amount of fees for such

1 decals that exceeds the amount due shall be reimbursed and  
2 repaid the amount of the decal fees that are deemed by the  
3 department to be in excess of the amount due.

4 Claims for such reimbursement must be made to the  
5 Department of Revenue, duly verified by the claimant (or by the  
6 claimant's legal representative if the claimant has died or  
7 become a person under legal disability), upon forms prescribed  
8 by the Department. The claim must state such facts relating to  
9 the purchase, importation, manufacture or production of the  
10 motor fuel by the claimant as the Department may deem  
11 necessary, and the time when, and the circumstances of its loss  
12 or the specific purpose for which it was used (as the case may  
13 be), together with such other information as the Department may  
14 reasonably require. No claim based upon idle time shall be  
15 allowed. Claims for reimbursement for overpayment of decal fees  
16 shall be made to the Department of Revenue, duly verified by  
17 the claimant (or by the claimant's legal representative if the  
18 claimant has died or become a person under legal disability),  
19 upon forms prescribed by the Department. The claim shall state  
20 facts relating to the overpayment of decal fees, together with  
21 such other information as the Department may reasonably  
22 require. Claims for reimbursement of overpayment of decal fees  
23 paid on or after January 1, 2011 must be filed not later than  
24 one year after the date on which the fees were paid by the  
25 claimant. If it is determined that the Department should  
26 reimburse a claimant for overpayment of decal fees, the

1 Department shall first apply the amount of such refund against  
2 any tax or penalty or interest due by the claimant under  
3 Section 13a of this Act.

4 Claims for full reimbursement for taxes paid on or before  
5 December 31, 1999 must be filed not later than one year after  
6 the date on which the tax was paid by the claimant. If,  
7 however, a claim for such reimbursement otherwise meeting the  
8 requirements of this Section is filed more than one year but  
9 less than 2 years after that date, the claimant shall be  
10 reimbursed at the rate of 80% of the amount to which he would  
11 have been entitled if his claim had been timely filed.

12 Claims for full reimbursement for taxes paid on or after  
13 January 1, 2000 must be filed not later than 2 years after the  
14 date on which the tax was paid by the claimant.

15 The Department may make such investigation of the  
16 correctness of the facts stated in such claims as it deems  
17 necessary. When the Department has approved any such claim, it  
18 shall pay to the claimant (or to the claimant's legal  
19 representative, as such if the claimant has died or become a  
20 person under legal disability) the reimbursement provided in  
21 this Section, out of any moneys appropriated to it for that  
22 purpose.

23 Any distributor or supplier who has paid the tax imposed by  
24 Section 2 of this Act upon motor fuel lost or used by such  
25 distributor or supplier for any purpose other than operating a  
26 motor vehicle upon the public highways or waters may file a

1 claim for credit or refund to recover the amount so paid. Such  
2 claims shall be filed on forms prescribed by the Department.  
3 Such claims shall be made to the Department, duly verified by  
4 the claimant (or by the claimant's legal representative if the  
5 claimant has died or become a person under legal disability),  
6 upon forms prescribed by the Department. The claim shall state  
7 such facts relating to the purchase, importation, manufacture  
8 or production of the motor fuel by the claimant as the  
9 Department may deem necessary and the time when the loss or  
10 nontaxable use occurred, and the circumstances of its loss or  
11 the specific purpose for which it was used (as the case may  
12 be), together with such other information as the Department may  
13 reasonably require. Claims must be filed not later than one  
14 year after the date on which the tax was paid by the claimant.

15 The Department may make such investigation of the  
16 correctness of the facts stated in such claims as it deems  
17 necessary. When the Department approves a claim, the Department  
18 shall issue a refund or credit memorandum as requested by the  
19 taxpayer, to the distributor or supplier who made the payment  
20 for which the refund or credit is being given or, if the  
21 distributor or supplier has died or become incompetent, to such  
22 distributor's or supplier's legal representative, as such. The  
23 amount of such credit memorandum shall be credited against any  
24 tax due or to become due under this Act from the distributor or  
25 supplier who made the payment for which credit has been given.

26 Any credit or refund that is allowed under this Section

1 shall bear interest at the rate and in the manner specified in  
2 the Uniform Penalty and Interest Act.

3 In case the distributor or supplier requests and the  
4 Department determines that the claimant is entitled to a  
5 refund, such refund shall be made only from such appropriation  
6 as may be available for that purpose. If it appears unlikely  
7 that the amount appropriated would permit everyone having a  
8 claim allowed during the period covered by such appropriation  
9 to elect to receive a cash refund, the Department, by rule or  
10 regulation, shall provide for the payment of refunds in  
11 hardship cases and shall define what types of cases qualify as  
12 hardship cases.

13 In any case in which there has been an erroneous refund of  
14 tax or fees payable under this Section, a notice of tax  
15 liability may be issued at any time within 3 years from the  
16 making of that refund, or within 5 years from the making of  
17 that refund if it appears that any part of the refund was  
18 induced by fraud or the misrepresentation of material fact. The  
19 amount of any proposed assessment set forth by the Department  
20 shall be limited to the amount of the erroneous refund.

21 If no tax is due and no proceeding is pending to determine  
22 whether such distributor or supplier is indebted to the  
23 Department for tax, the credit memorandum so issued may be  
24 assigned and set over by the lawful holder thereof, subject to  
25 reasonable rules of the Department, to any other licensed  
26 distributor or supplier who is subject to this Act, and the

1 amount thereof applied by the Department against any tax due or  
2 to become due under this Act from such assignee.

3 If the payment for which the distributor's or supplier's  
4 claim is filed is held in the protest fund of the State  
5 Treasury during the pendency of the claim for credit  
6 proceedings pursuant to the order of the court in accordance  
7 with Section 2a of the State Officers and Employees Money  
8 Disposition Act and if it is determined by the Department or by  
9 the final order of a reviewing court under the Administrative  
10 Review Law that the claimant is entitled to all or a part of  
11 the credit claimed, the claimant, instead of receiving a credit  
12 memorandum from the Department, shall receive a cash refund  
13 from the protest fund as provided for in Section 2a of the  
14 State Officers and Employees Money Disposition Act.

15 If any person ceases to be licensed as a distributor or  
16 supplier while still holding an unused credit memorandum issued  
17 under this Act, such person may, at his election (instead of  
18 assigning the credit memorandum to a licensed distributor or  
19 licensed supplier under this Act), surrender such unused credit  
20 memorandum to the Department and receive a refund of the amount  
21 to which such person is entitled.

22 For claims based upon taxes paid on or before December 31,  
23 2000, a claim based upon the use of undyed diesel fuel shall  
24 not be allowed except (i) if allowed under the following  
25 paragraph or (ii) for undyed diesel fuel used by a commercial  
26 vehicle, as that term is defined in Section 1-111.8 of the

1 Illinois Vehicle Code, for any purpose other than operating the  
2 commercial vehicle upon the public highways and unlicensed  
3 commercial vehicles operating on private property. Claims  
4 shall be limited to commercial vehicles that are operated for  
5 both highway purposes and any purposes other than operating  
6 such vehicles upon the public highways.

7 For claims based upon taxes paid on or after January 1,  
8 2000, a claim based upon the use of undyed diesel fuel shall  
9 not be allowed except (i) if allowed under the preceding  
10 paragraph or (ii) for claims for the following:

11 (1) Undyed diesel fuel used (i) in a manufacturing  
12 process, as defined in Section 2-45 of the Retailers'  
13 Occupation Tax Act, wherein the undyed diesel fuel becomes  
14 a component part of a product or by-product, other than  
15 fuel or motor fuel, when the use of dyed diesel fuel in  
16 that manufacturing process results in a product that is  
17 unsuitable for its intended use or (ii) for testing  
18 machinery and equipment in a manufacturing process, as  
19 defined in Section 2-45 of the Retailers' Occupation Tax  
20 Act, wherein the testing takes place on private property.

21 (2) Undyed diesel fuel used by a manufacturer on  
22 private property in the research and development, as  
23 defined in Section 1.29, of machinery or equipment intended  
24 for manufacture.

25 (3) Undyed diesel fuel used by a single unit  
26 self-propelled agricultural fertilizer implement, designed

1 for on and off road use, equipped with flotation tires and  
2 specially adapted for the application of plant food  
3 materials or agricultural chemicals.

4 (4) Undyed diesel fuel used by a commercial motor  
5 vehicle for any purpose other than operating the commercial  
6 motor vehicle upon the public highways. Claims shall be  
7 limited to commercial motor vehicles that are operated for  
8 both highway purposes and any purposes other than operating  
9 such vehicles upon the public highways.

10 (5) Undyed diesel fuel used by a unit of local  
11 government in its operation of an airport if the undyed  
12 diesel fuel is used directly in airport operations on  
13 airport property.

14 (6) Undyed diesel fuel used by refrigeration units that  
15 are permanently mounted to a semitrailer, as defined in  
16 Section 1.28 of this Law, wherein the refrigeration units  
17 have a fuel supply system dedicated solely for the  
18 operation of the refrigeration units.

19 (7) Undyed diesel fuel used by power take-off equipment  
20 as defined in Section 1.27 of this Law.

21 (8) Beginning on the effective date of this amendatory  
22 Act of the 94th General Assembly, undyed diesel fuel used  
23 by tugs and spotter equipment to shift vehicles or parcels  
24 on both private and airport property. Any claim under this  
25 item (8) may be made only by a claimant that owns tugs and  
26 spotter equipment and operates that equipment on both

1 private and airport property. The aggregate of all credits  
2 or refunds resulting from claims filed under this item (8)  
3 by a claimant in any calendar year may not exceed \$100,000.  
4 A claim may not be made under this item (8) by the same  
5 claimant more often than once each quarter. For the  
6 purposes of this item (8), "tug" means a vehicle designed  
7 for use on airport property that shifts custom-designed  
8 containers of parcels from loading docks to aircraft, and  
9 "spotter equipment" means a vehicle designed for use on  
10 both private and airport property that shifts trailers  
11 containing parcels between staging areas and loading  
12 docks.

13 (9) Undyed diesel fuel that (i) is not otherwise  
14 eligible for a claim under this Section and (ii) is  
15 purchased by a veteran who is participating in the Soldiers  
16 to Farmers Program established under the Soldiers to  
17 Farmers Program Act for use in a farming or agricultural  
18 business operated by the veteran. Claims may be made under  
19 this item (9) for a period of not more than 5 years  
20 commencing on the date of enrollment of the veteran in the  
21 Program. No claim by a veteran participating in the Program  
22 shall be made under this item (9) without a certificate  
23 properly executed and furnished by the Department of  
24 Veterans' Affairs.

25 Any person who has paid the tax imposed by Section 2 of  
26 this Law upon undyed diesel fuel that is unintentionally mixed

1 with dyed diesel fuel and who owns or controls the mixture of  
2 undyed diesel fuel and dyed diesel fuel may file a claim for  
3 refund to recover the amount paid. The amount of undyed diesel  
4 fuel unintentionally mixed must equal 500 gallons or more. Any  
5 claim for refund of unintentionally mixed undyed diesel fuel  
6 and dyed diesel fuel shall be supported by documentation  
7 showing the date and location of the unintentional mixing, the  
8 number of gallons involved, the disposition of the mixed diesel  
9 fuel, and any other information that the Department may  
10 reasonably require. Any unintentional mixture of undyed diesel  
11 fuel and dyed diesel fuel shall be sold or used only for  
12 non-highway purposes.

13 The Department shall promulgate regulations establishing  
14 specific limits on the amount of undyed diesel fuel that may be  
15 claimed for refund.

16 For purposes of claims for refund, "loss" means the  
17 reduction of motor fuel resulting from fire, theft, spillage,  
18 spoilage, leakage, or any other provable cause, but does not  
19 include a reduction resulting from evaporation, or shrinkage  
20 due to temperature variations. In the case of losses due to  
21 fire or theft, the claimant must include fire department or  
22 police department reports and any other documentation that the  
23 Department may require.

24 (Source: P.A. 96-1384, eff. 7-29-10.)